NOMINATION OF ELIZABETH F. BURKHART

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

THE NOMINATION OF

ELIZABETH F. BURKHART TO BE A MEMBER OF THE BOARD OF THE NATIONAL CREDIT UNION ADMINISTRATION

JULY 16, 1982

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NOMINATION OF ELIZABETH F. BURKHART

FRIDAY, JULY 16, 1982

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, D.C.

The committee met at 10 a.m. in room 5302, Dirksen Senate Office Building, Senator Jake Garn, chairman of the committee, presiding.

Present: Senators Garn and Proxmire.

OPENING STATEMENT OF CHAIRMAN GARN

The CHAIRMAN. The committee will come to order.

We are happy to welcome you here to the hearing this morning, Mrs. Burkhart, and if I could for a moment, before we start with your nomination, take advantage of the opportunity to make a brief statement on the Penn Square National Bank.

There has been a lot of questions asked of me as chairman of the committee as to what I intended to do. Hearings were held in the House yesterday and often I think we hold hearings in Congress prematurely before enough of the dust has settled and we are able to get some really good data.

The failure of Penn Square National Bank in Oklahoma City has caused many people to ask how this could have happened. This has led to more specific questions regarding the operations and management techniques of that bank, the effects of the failure on uninsured depositors and other participants in the financial system, and on the adequacy of the Federal bank supervisory process.

This failure, the fourth largest in the FDIC's history, does raise questions. When it occurred, I directed my staff to conduct a preliminary review. Clearly, there are irregularities in the Penn Square matter. The allegations are that this institution engaged in improper activities to such a degree that other institutions and persons may suffer significant financial losses. The allegations include insider loans, failure to comply with regulatory directives, and extend to possible violations of criminal law.

In 5 years, Penn Square grew from a relatively small suburban bank with $50 million in assets to a bank with a national clientele and almost $500 million in assets. Its growth coincided with renewed efforts to develop domestic oil and gas resources. However, its problems and demise appear to have more to do with the alleged irregularities than with the nature of its business. It was making loans so quickly that its funding could hardly keep up. And, as a result, it relied increasingly on brokered deposits, a large portion of which were uninsured, from credit unions and other

smaller financial institutions. In fact, 132 credit unions have $104 million in uninsured deposits in Penn Square.

Because of questions raised during a Comptroller's examination of Penn Square in 1980, the Comptroller's office required the bank to take specific steps to rectify deficiencies in its lending policies and practices. In a September 1981 exam, Penn Square was deemed to be making some progress towards complying with the Comptroller's directive, but during a follow-up exam conducted earlier this year, the bank's condition was reversing and, in fact, substantially declining. We all know the Comptroller declared the bank insolvent and the FDIC is now conducting its salvage operation.

From the information now available, the Penn Square failure appears to be unique. Moreover, the integrity and stability of the financial system remains intact despite this highly discussed bank failure.

There are questions to which this committee and the public demand answers. In order to answer questions such as how to improve the supervisory process, how to assure the coordination of the supervisory agencies, and how to review bank funding methods, we first must permit the supervisory agencies to complete their initial investigations. Once we have a more complete picture of what occurred concerning Penn Square, then this committee will schedule hearings in which we will review the entire Penn Square matter and obtain answers to the important questions that have been raised by this incident. Such hearings will occur after the Labor Day recess.

I thank you for your patience. With all the publicity on this, it was necessary that we answer the questions as to whether we would hold hearings and, as I've said, it makes no sense to me to rush into them simply for the purpose of holding hearings until we can gather the really good data that we need.

Also, I might say, in addition to my personal welcome to you, that Senator Tower was sorry that he was not able to be here and I would like to read his brief statement into the record.

[Statement follows as though read:]

STATEMENT OF SENATOR TOWER

Senator TOWER. It is my great pleasure to introduce to the committee this morning Mrs. Elizabeth Flores Burkhart who has been nominated by the President to be a board member of the National Credit Union Administration.

Mrs. Burkhart is a native of Waelder, Tex., about halfway between San Antonio and Houston. This will not be the first time Mrs. Burkhart has served her country, for she is a former member of the Women's Marine Corp.

Mrs. Burkhart brings an impressive educational background to the assignment. She has a B.A. from Midwestern University, where I might note that I was a professor of government before coming to the U.S. Senate. She also has earned an M.B.A. from Houston Baptist University. In addition, she has attended Pan American College, the University of Houston, and the Southwestern Graduate School of Banking at Southern Methodist University.

Mrs. Burkhart's credentials also include an impressive career at one of Texas' largest bank holding companies, Texas Commerce Bancshares. Particularly relevant to this new undertaking, at Texas Commerce Bancshares, Mrs. Burkhart had responsibility for determining community needs for new financial institutions.

During the last presidential campaign, Mrs. Burkhart served as Vice President Bush's controller and then held a number of important positions during the transition. Most recently she has been Assistant Deputy Administrator of Veterans' Administration.

Mr. Chairman, I believe that Mrs. Burkhart is uniquely qualified for this position. I commend the President for her nomination and I recommend her to this committee most highly.

The CHAIRMAN. Senator Tower was sorry he was not able to be here personally, Mrs. Burkhart.

If I could have you stand to be sworn before we start your testimony.

[Witness sworn.]

The CHAIRMAN. Do you have an opening statement that you wish to make?

Mrs. BURKHART. No, sir. I'm ready for any questions.

The CHAIRMAN. Thank you. It is my understanding that if you're confirmed you will resign from your present position of Assistant Deputy Administrator for the Veterans' Administration; is that correct?

Mrs. BURKHART. That's correct.

The CHAIRMAN. Do you also agree not to be affiliated with or invest in any concern which would create even an appearance of conflict of interest with your position as a board member of NCUA?

Mrs. BURKHART. I do.

The CHAIRMAN. If you're confirmed, do you agree to appear before this or other congressional committees when requested?

Mrs. BURKHART. Yes, sir.

The CHAIRMAN. Could you comment on the NCUA Board's recent proposal to recognize the right of State unclaimed property administrators to inspect Federal credit unions for compliance?

Mrs. BURKHART. I'm aware that there is some discussion on that, but I have not gotten myself involved because of the confirmation. I did not feel it was my position to get involved in it so I would not be able to comment on that.

The CHAIRMAN. Do you have any comments you would like to make about the Board's recent decision to raise the share insurance premium?

Mrs. BURKHART. Yes, sir. I was glad to see that because I think being able to have a strong position there is very important for the industry. So I was very much in support of it.

The CHAIRMAN. Senator Proxmire.

Senator PROXMIRE. Thank you, Mr. Chairman.

Mrs. Burkhart, I'm a little bit ahead of time, but I want to congratulate you on your birthday which is Monday I understand.

Mrs. BURKHART. Yes, sir.

Senator PROXMIRE. You're old enough to vote then?

Mrs. BURKHART. For a couple years, yes.

Senator PROXMIRE. We're holding this hearing today because I objected to approving your nomination by a poll without a hearing, but that objection was no reflection on you at all. I just believe that appointments to the regulatory agencies as a matter of policy should be scrutinized on the record and not in a Senator's office. I believe that credit union involvement in the recent bank failure of Penn Square National Bank raises policy questions that we ought to answer.

According to reports, the failure of the Penn Square National Bank of Oklahoma which had about $500 million in assets and $150 million in uninsured deposits will result in losses for 150 or more credit unions which had deposits in the bank over the $100,000 insured amount. Many of the credit union deposits were placed in the bank by money brokers and, of course, we brought it home here because the House credit union was one of those involved and that made us all particularly sensitive.

What's your view of credit unions using money brokers to place their deposits above the insured amount?

Mrs. BURKHART. Quite frankly, sir, I have not given that any thought. All of this came up rather suddenly and I have not—because the staff has been involved in trying to get the information to the various Senate and House committees, I have not sought them out to say fill me in and brief me on what's going on.

Senator PROXMIRE. Well, I'm not concerned about this specific situation right now, at least as far as questioning you is concerned. What concerns me is the general practice. How do you feel about the general practice of using money brokers to place deposits above the insured amount? Of course, we have an insurance system, as you know, that guarantees $100,000. After that, you don't have the insurance and therefore there's a prospect of loss and credit unions have used money brokers to place that excess amount.

Mrs. BURKHART. I have a problem with the term "money broker" because it's my understanding from the statutes that money brokers are not to be used and that firms like Professional Assets Management were used as investment consultants. So the technicalities there of the term "brokering" I have a problem with. I believe that the statute says credit unions are not to use brokers, and from my conversations with some of the credit unions they do not see those individuals as brokers. They see them as investment consultants. It's somewhat of a technicality there, but that is my understanding of the situation.

Senator PROXMIRE. Well, in general, whether they use brokers or not—my son is a broker and I have great respect for brokers—there are some good and some bad, as in everything, but the question I suppose is whether or not they should use a middleman, whether there should be a policy in some way in which credit unions can provide that they get the fullest possible protection for their depositors. I think we ought to perhaps think about this and look into it and consider what we can do in the future. In this case I think the losses are apparently minimal, but it's a red flag that suggests that we should be more careful in the future.

Mrs. BURKHART. I believe, sir, that there is a regulation out for comment on whether investments should be further deregulated or not, and the credit unions then will have an opportunity to com-

ment to the agency as to what extent they feel investments should be deregulated. It was an action taken by the board at the July 7 meeting I believe.

Senator PROXMIRE. Now, Mrs. Burkhart, the purpose of credit unions is to secure their members' money by safeguarding their deposits and making loans to members. How consistent is it with the basic responsibilities of credit unions to be placing their funds through brokers in financial institutions outside the locality of the common bond with the members?

Mrs. BURKHART. I could not answer that. I believe that most of the credit unions are very liquid right now. They do not have the loan demand and in order to be able to pay their dividends they are looking for investments wherever possible and banks are supposed to be very good investments.

Senator PROXMIRE. Well, of course, if it's within the locality of the common bond presumably they would have the basis for a better judgment of the soundness and they would be in a position perhaps to know whether the investment was safe, whether there was any problem involved.

Mrs. BURKHART. By investment and common bond, do you mean that perhaps credit unions that deal with the auto industry should invest only in auto industry investments?

Senator PROXMIRE. Well, I'm thinking of the community rather than the particular industry.

Mrs. BURKHART. Oh, community. I feel that credit unions should invest——

Senator PROXMIRE. Usually the credit union would have more knowledge of the financial status or financial problems of a local institution than they would if they simply have a broker place it in Oklahoma instead of in Washington, which would happen in the case of the House credit union, for example.

Mrs. BURKHART. Well, the credit union itself is the one that determines what their policy will be and NCUA's position is to strive and to encourage the credit unions to have an investment policy in place and make sure that the manager abides by what that local board directs him to do.

Senator PROXMIRE. Well, the problem is that the purpose of a credit union is to serve the common bond, the local interest, to be investing the funds many miles away, perhaps 1,000 miles away in a community in which they would have far less knowledge and do it through a middleman—well, at any rate, it's something that I would hope you would give your attention to because this is a matter of concern.

I am a great fan of credit unions. I think they serve a marvelous purpose and they're a very important part of our financial institutions.

Mrs. Burkhart, how sophisticated is the average credit union management in gaining knowledge of the safety of deposits placed by money brokers for it? You see, the Penn Square case seems to be an indication that the credit union is at the mercy of the broker. I'm wondering what are the standards of prudence that the National Credit Union applies to credit union management.

Mrs. BURKHART. Sir, as to the sophistication of the investment knowledge of the credit unions, I believe that in the Penn Square

situation you find everything from people that know very little about investments to some credit unions that are highly sophisticated.

Senator PROXMIRE. Well, if they were highly sophisticated and knowledgeable, it would seem to me it would be unfortunate if they didn't use that sophistication and knowledge to make the investment locally in the local community where their sophistication and knowledge would undoubtedly be greater and where the safety of the deposits would be undoubtedly greater, plus the fact that they would probably help the community by making the investment locally.

Mrs. BURKHART. As I said before, the credit unions have the option of investing wherever they choose.

Senator PROXMIRE. My question is, What are the standards of prudence that NCUA applies to credit unions' management?

Mrs. BURKHART. The standards of prudence?

Senator PROXMIRE. Yes.

Mrs. BURKHART. The NCUA Act states I believe specifically what types of investments a credit union can invest in. We do not then tell them to invest only in certain regions. They have to exercise some judgment themselves.

Senator PROXMIRE. What policy questions in your mind are raised for the National Credit Union Administration by the experience of the failure of the Penn Square National Bank?

Mrs. BURKHART. From what I know, I would say none. If anything, it's just a further insistence upon credit unions having an investment policy in place, making them more aware that any time they go after high yields that also means high risks, but I believe that what is in place right now is sufficient.

Senator PROXMIRE. Well, don't you think this means, number one, that they should take a look at how they invest their funds through middlemen; and number two, they should consider what local investments there are in the local community where they have a particular knowledge and where whatever knowledge they do have would be applicable, where they would probably apply with greater safety?

Mrs. BURKHART. Sir, without further regulation, I don't think there's much that we can do about it because the statute says——

Senator PROXMIRE. As you say, you can encourage these policies.

Mrs. BURKHART. That's what can encourage these policies?

Senator PROXMIRE. Well, I'm saying that the National Credit Union Administration can encourage policies on the part of local credit unions to make their investments locally and to know the conditions of the banks in which they make the deposits. They should pay some attention to that. It seems to me in this case they simply found there was a high yield down in Oklahoma and so they put their deposits down there without making more than a cursory check, if any.

Mrs. BURKHART. As to how each individual credit union came to its decision to invest, I have no way of knowing.

Senator PROXMIRE. Of course you wouldn't know that, but I'm just wondering if the National Credit Union Administration couldn't encourage in any number of ways——

Mrs. BURKHART. Encourage regional investment as opposed to whatever is available?

Senator PROXMIRE. Or if they preferred to invest outside the region, outside the community, that they have some way of verifying, checking the soundness of the institution in which they are putting their money.

Mrs. BURKHART. I'm sure, sir, that in the comments that we will be receiving from the credit unions we will be hearing their opinions. They are quite vocal as to what they think should be the restraints placed on them.

Senator PROXMIRE. Mrs. Burkhart, how important is the concept of the common bond to credit unions?

Mrs. BURKHART. Very much so. As a matter of fact——

Senator PROXMIRE. Let me put it in this way—go ahead.

Mrs. BURKHART. I seem to recall in a report that I read just recently that some of our regional directors are finding that community credit unions are trying to get back into an occupational bond, getting the common bond a little bit tighter defined.

Senator PROXMIRE. The reason I asked this is because some people recommend that the failing credit union be taken over by others without regard to a common bond. How do you feel about that?

Mrs. BURKHART. I think that would have to be taken on an——

Senator PROXMIRE. An ad hoc basis?

Mrs. BURKHART. Yes, just as the situation comes up, because I can foresee, say, somewhere out in west Texas where there would not be another credit union available other than to merge two distinctly different occupational fields to——

Senator PROXMIRE. I could see it under extraordinary circumstances like that, but ordinarily would you favor regard to a common bond? In other words, do everything we could to see that——

Mrs. BURKHART. Absolutely. Common bond is very important to the credit union.

Senator PROXMIRE. So you would try to preserve that?

Mrs. BURKHART. Yes, sir.

Senator PROXMIRE. Mrs. Burkhart, the National Credit Union Administration is seeking to amend the cap set on home mortgage lending applicable to credit unions of 150 percent of the area median sale price. Senator Brooke's amendment which set that cap was designed to insure that credit union funds not be used for luxury housing.

What's your view on credit union home mortgage lending, particularly with respect to that cap?

Mrs. BURKHART. I believe, sir, that there is not a lot of mortgage lending by credit unions, primarily because they feel that it's tying up their money for too long a period of time. I'm not familiar with the cap that you mentioned, but as I said, from my observation and talking with the credit union people, the vast majority of credit unions do not get involved in mortgage lending.

Senator PROXMIRE. I remember 30 years ago I got a mortgage on my house from a credit union and they handled it very expertly. Some credit unions have done this in the past. We are anxious to

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get as much housing money as we can. This committee is very concerned about that. You raised a very legitimate point on liquidity.

Finally, you come from a commercial bank.

Mrs. BURKHART. Yes, sir.

Senator PROXMIRE. We often hear the view from commercial banks that credit unions enjoy some competitive advantages over banks particularly in the tax area. I've heard that a lot when I went back to my State and talked to my bankers in the little communities where there's a credit union, especially one that's thriving and doing well and growing, and the bank feels it's because they have a tax advantage. You're about to become a credit union regulator. What's your view of the equality of regulation among the banks and credit unions?

Mrs. BURKHART. On the equality of regulation?

Senator PROXMIRE. Yes. Is it your feeling that the credit unions have an advantage or do you feel that the situation is reasonable under present circumstances?

Mrs. BURKHART. I believe it's reasonable based on the fact that they serve different purposes. The credit unions, as cooperatives, help generally the lower end of the economic structure, while banks are the commercial lender. Credit unions are more consumer oriented, so I see no reason why credit unions should have the same constraints that a commercial bank has because they serve entirely different segments.

Senator PROXMIRE. Do you feel the credit unions have an advantage under present circumstances in the present tax law?

Mrs. BURKHART. I would not call it an advantage, no.

Senator PROXMIRE. Well, thank you very much. I have absolutely no objection to this nominee. I think Mrs. Burkhart obviously has an excellent background and I think she is very well qualified.

I appreciate, Mr. Chairman, your calling the hearing so I could ask these questions.

The CHAIRMAN. Thank you very much, Senator Proxmire.

Mrs. Burkhart, I have no additional questions and I know of no objections from any members of the committee to your nomination and confirmation. I would expect that we would be able to poll the committee without the necessity of calling another meeting on it. As rapidly as we can, we will report your nomination to the Senate floor for confirmation. Do you have anything else you would like to say?

Mrs. BURKHART. Nothing, sir.

The CHAIRMAN. Thank you very much for coming.

The committee is adjourned.

[Whereupon, at 10:30 a.m., the hearing was adjourned.]

[Biographical material on the nominee follows:]

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Burkhart (LAST) Elizabeth (FIRST) Flores (OTHER)

Position to which nominated: Board Member, National Credit Union Administration Date of nomination: May 19, 1982

Date of birth: 19 (DAY) 7 (MONTH) 1935 (YEAR) Place of birth: Waelder, Texas

Marital status: Married Full name of spouse: Jon Mac Burkhart

Name and ages of children: None

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Pan American College	1957-60	None	
Midwestern University	1960-66	B.A.	1966
University of Houston	1967-69	None	
Southwestern Graduate School of Banking (SMU)	1976-78	Diploma	1978
Houston Baptist Univ.	1977-79	M.B.A.	1979

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Southwestern Graduate School of Banking (Selected Candidate)-1976-78

Credit Analysis Training Program (Selected Candidate)-1977-78

"Superbanker", Texas Commerce Bank, Houston, Texas

Certified Professional Secretary, Houston, Texas -1974

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
National Secretaries Assn.	None	1970-1975
American Institute of Banking	Member Secretary	1970-1979 1978-1979
National Association of Bank Women (NABW)	Member	1976-1979
NABW Educational Foundation	Trustee	1976-1978
Texas Commerce Bank, Junior Achievement Group	Mgmt. Advisor	1976-1977
Women Work for Work Project (A United Way Agency)	Advisory Board	1977-1979
Women Marines Association	None	1974-1979

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

-Elementary School Teacher, Houston Independent School District, Houston, Texas - 1966-68

-Secretary-Research Assistant-Banking Officer, Texas Commerce Bank, Houston, Texas - 1968-79

-Controller, George Bush for President, Houston, Texas - 4/1/79-8/15/80

-Cost Center Manager, Reagan-Bush Committee, Arlington, Virginia, 8/18/80-11/7/80

-Archivist, Reagan-Bush Transition, Washington, DC, -11/10/80-11/14/80

-Deputy Treasurer, Reagan-Bush Compliance Committee, Arlington, VA, 11/17/80-2/15/81

-Controller, Presidential Transition Foundation, Washington, DC, 11/17/80-5/29/31

-Consultant, Veterans Administration, Washington, DC, 6/1/81-7/15/81

-Assistant Deputy Administrator, Veterans Administration, Washington, 7/16/81-10/8/81

-Associate Deputy Administrator for Information Resources Management, Veterans Administration, Washington, DC, 10/9/81 to present

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

Advisor to the Administrator of Veterans' Affairs on policies, plans and operations related to data and information systems.

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

NONE

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Controller, George Bush for President

Cost Center Manager, Reagan-Bush Committee

Archivist, Reagan-Bush Transition

Deputy Treasurer, Reagan-Bush Compliance Committee

Controller, Presidential Transition Foundation

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

George Bush for President

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See attached sheet.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

If confirmed by the Senate, I will sever any connections with present employer, business firms, associations or organizations which are deemed to be in conflict with the duties of the position to which I have been nominated.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I foresee no resumption of employment, affiliation or practice with my present employer, business firm, association or organization.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

QUALIFICATIONS

In the private sector, I served as an Assistant Vice President responsible for liaison between the bank and regulatory agencies. I also had to interact with the banks' senior management officials and with the various functional departments--marketing, planning and research, legal, and printing. In this role, I was principally concerned with the acquisition of new properties. In terms of supervisory experience, I have had responsibility for up to 100 employees.

My experience is not limited to private business. While serving in political organizations, I have established and managed financial accounting and fiscal control systems for operating budgets in the range of $1.3 million to $17 million. These responsibilities required me to prepare financial reports for campaign managers and the Federal Election Commission, and conduct financial oversight of operating entities within the campaign organization.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I have made no financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who may be affected by any policies that may be derived from the position to which I have been nominated.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I have no investments, obligations, liabilities, or other relationships which might, to my knowledge, involve potential conflict of interest with the position to which I have been nominated.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

I do not anticipate any conflict of interest; however, if any conflict of interest does arise I would hope to resolve it to the mutual satisfaction of the Committee and my family.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I am aware of no inquiry or investigation of my background other than:

(1) Security Clearance for Marine Corp, 1955.

(2) Security clearance for Veterans Administration.

(3) Investigation for the post to which I've been nominated.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

To my knowledge I have not been the subject of an inquiry or investigation by any professional association or bar association.